



**GORDON T LONG**

**Advanced Technical Analysis**



**Gordon T Long**  
Global Macro Research |  
Macro-Technical Analysis



**Technical Analysis**  
Market Road Maps | HPTZ  
Methodology



**SII**  
Global Macro Research |  
Market Road Maps

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GLOBAL YIELD CURVE  
INVERTS!



# AGENDA

## GLOBAL YIELD CURVE INVERTS

### US & GLOBAL YIELD CURVE INVERSIONS

- Yield Curves: US Domestic & Global
  - Signaling: Liquidity & Fragility Risk Problems,
  - Signaling: A Shift in Confidence in “Extinguishable” Fiat Lending,

### INVERTED YIELD CURVE v UNEMPLOYMENT

### MOUNTING TECHNICAL EVIDENCE

- Understanding the Secular VIX Trend,
- Bloomberg Recession Indicators,
- Era of Stagnation & Stagflation – The DJI:Gold Ratio

### A SECULAR v CYCLICAL SIGNAL

- Secular Bears About PE Contraction (Lance Roberts),
- Secular Bear Markets May be Flat with Violent Counter rallies,

### CONCLUSION

- XBD , DJI:GOLD Delay

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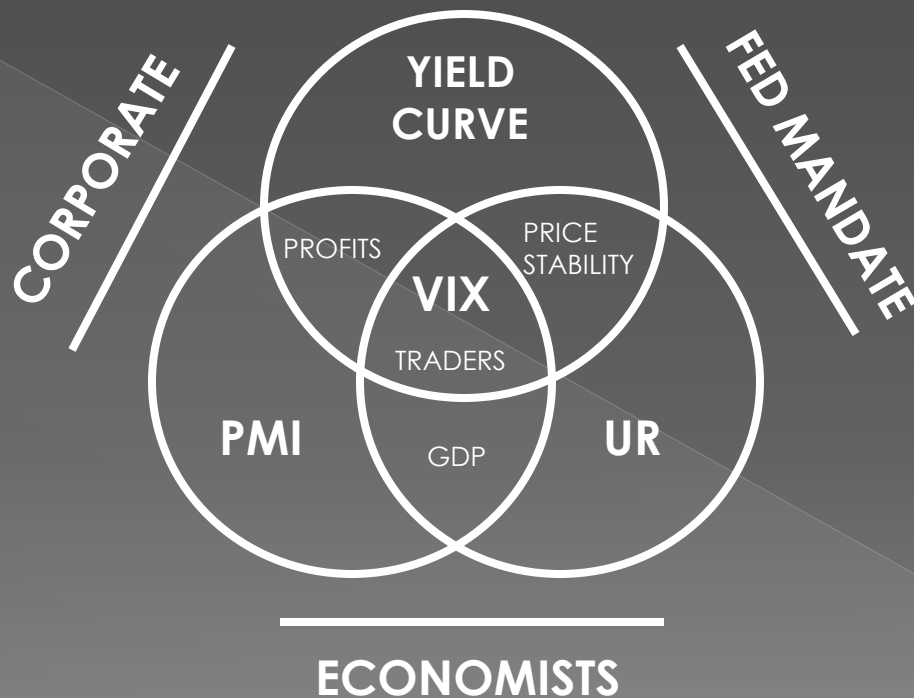
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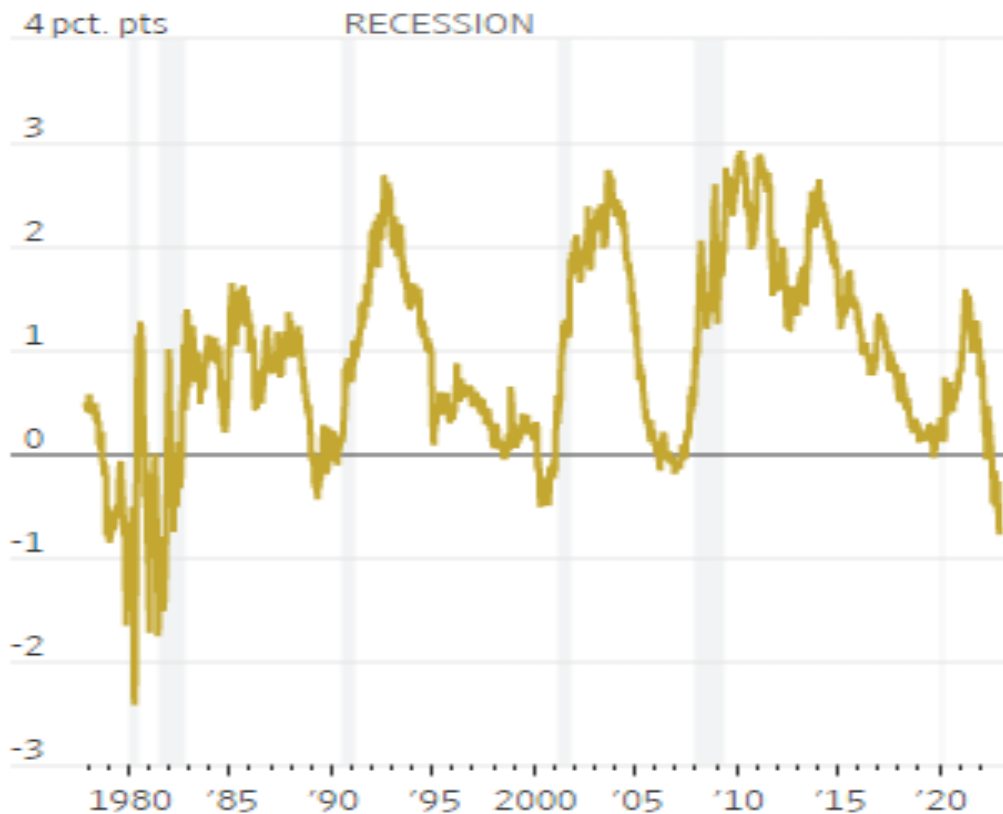
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# MATASII ECONOMIC MONITOR

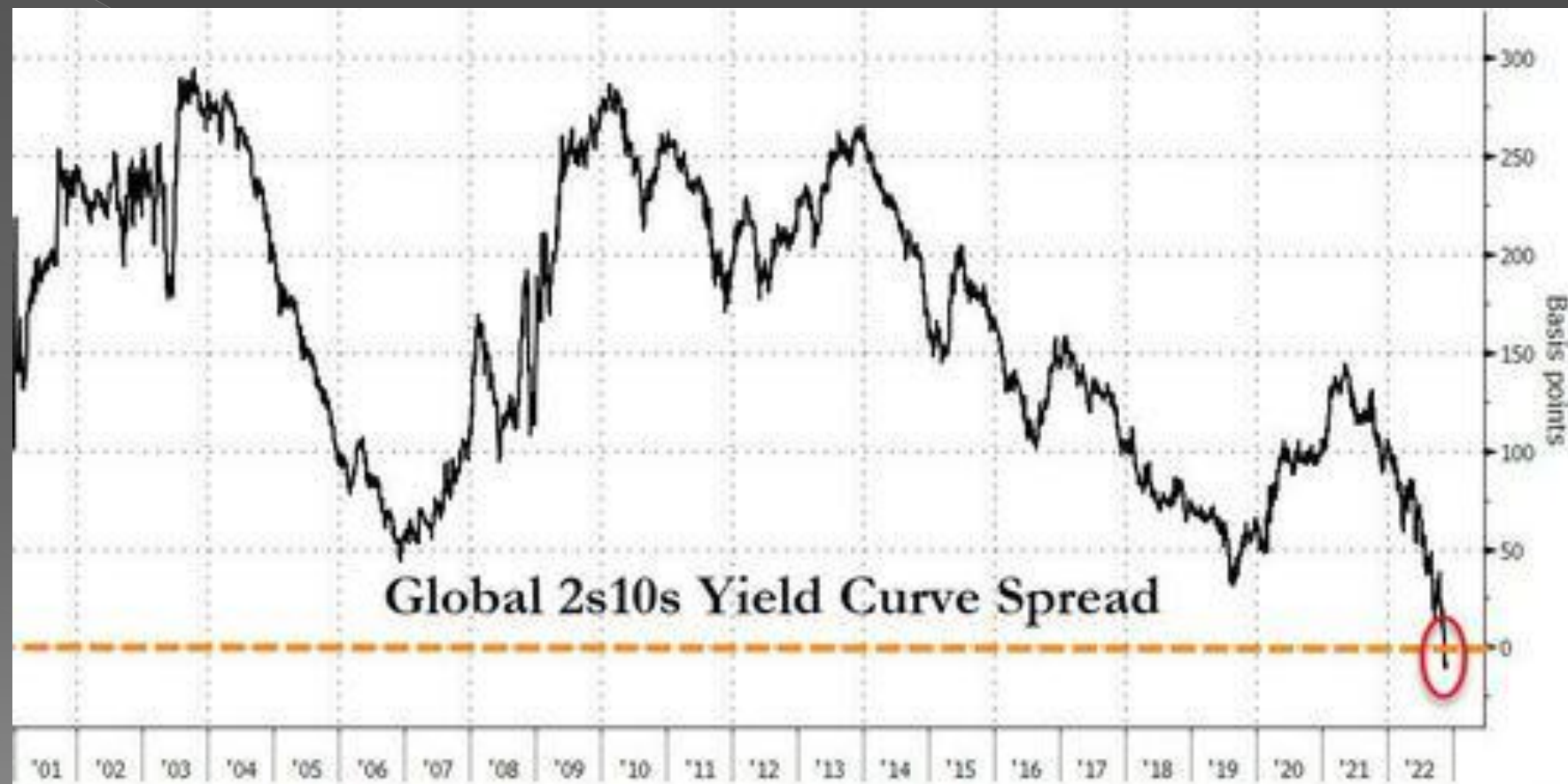


UR: Unemployment  
VIX: Options Pricing

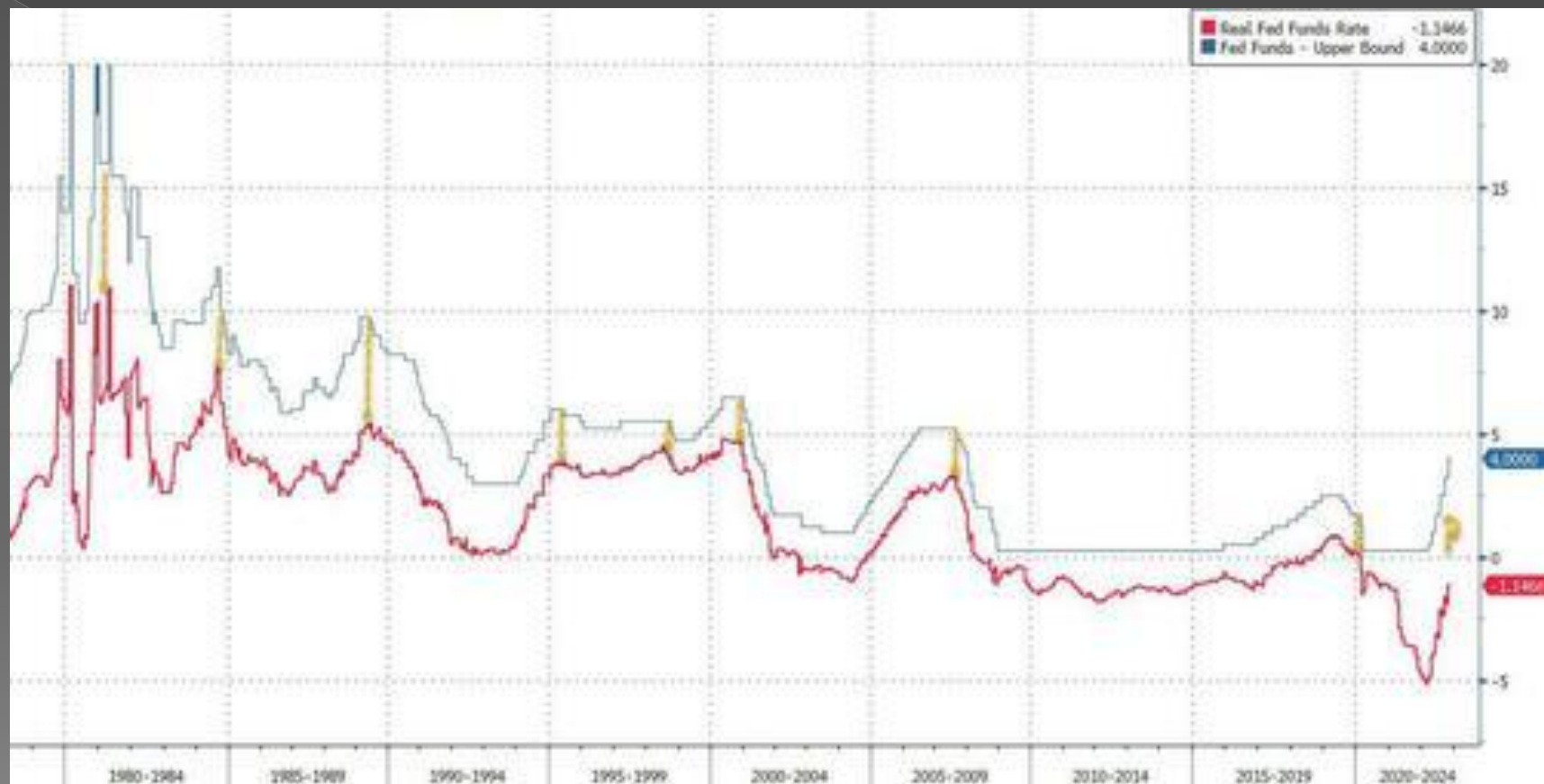
# 10-year Treasury yield minus two-year Treasury yield



Source: Tradeweb ICE

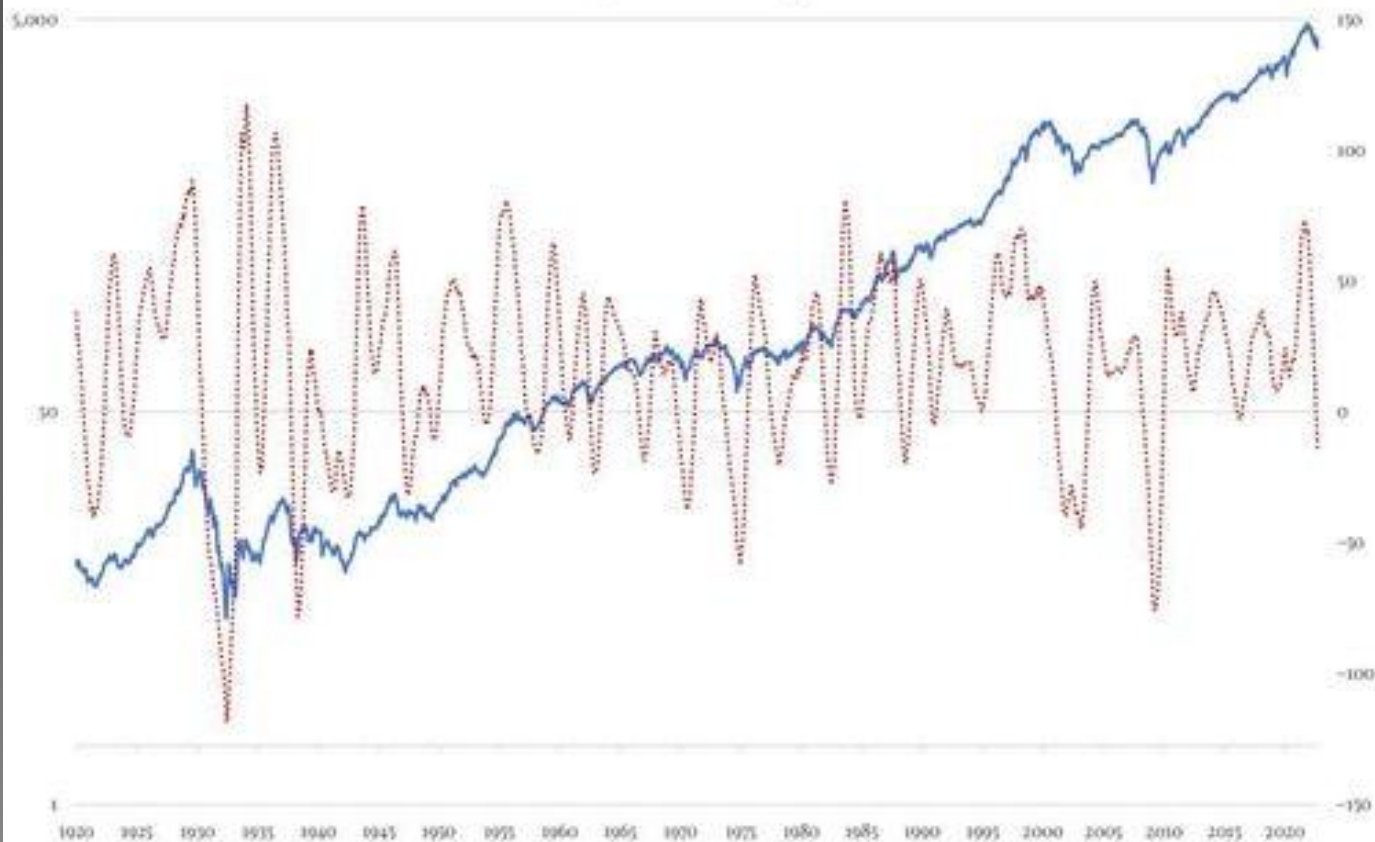






## Bull & Bear Markets

—— S&P 500 Index      ..... Corgcock Curve



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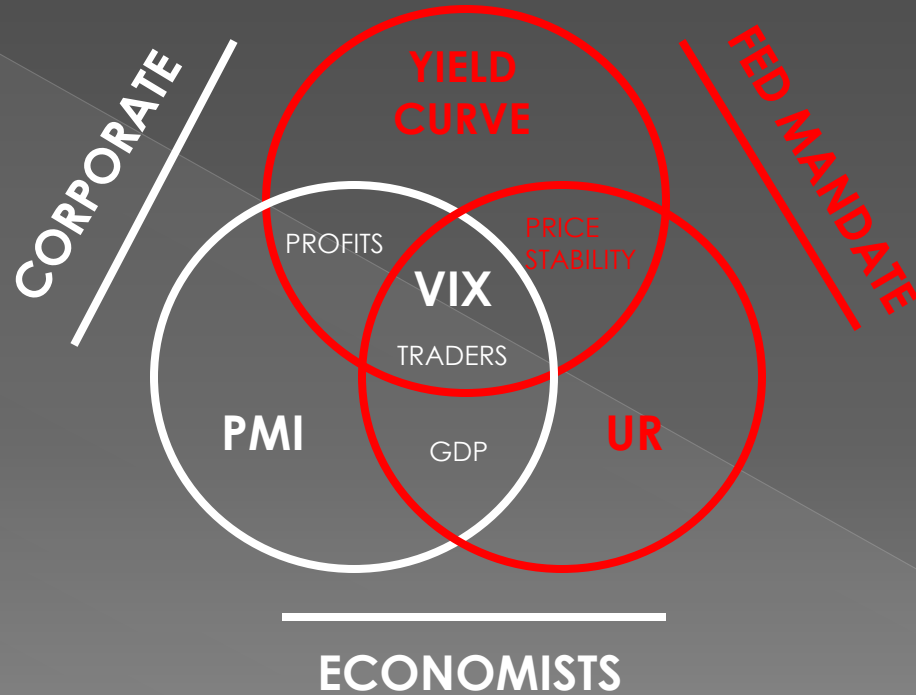
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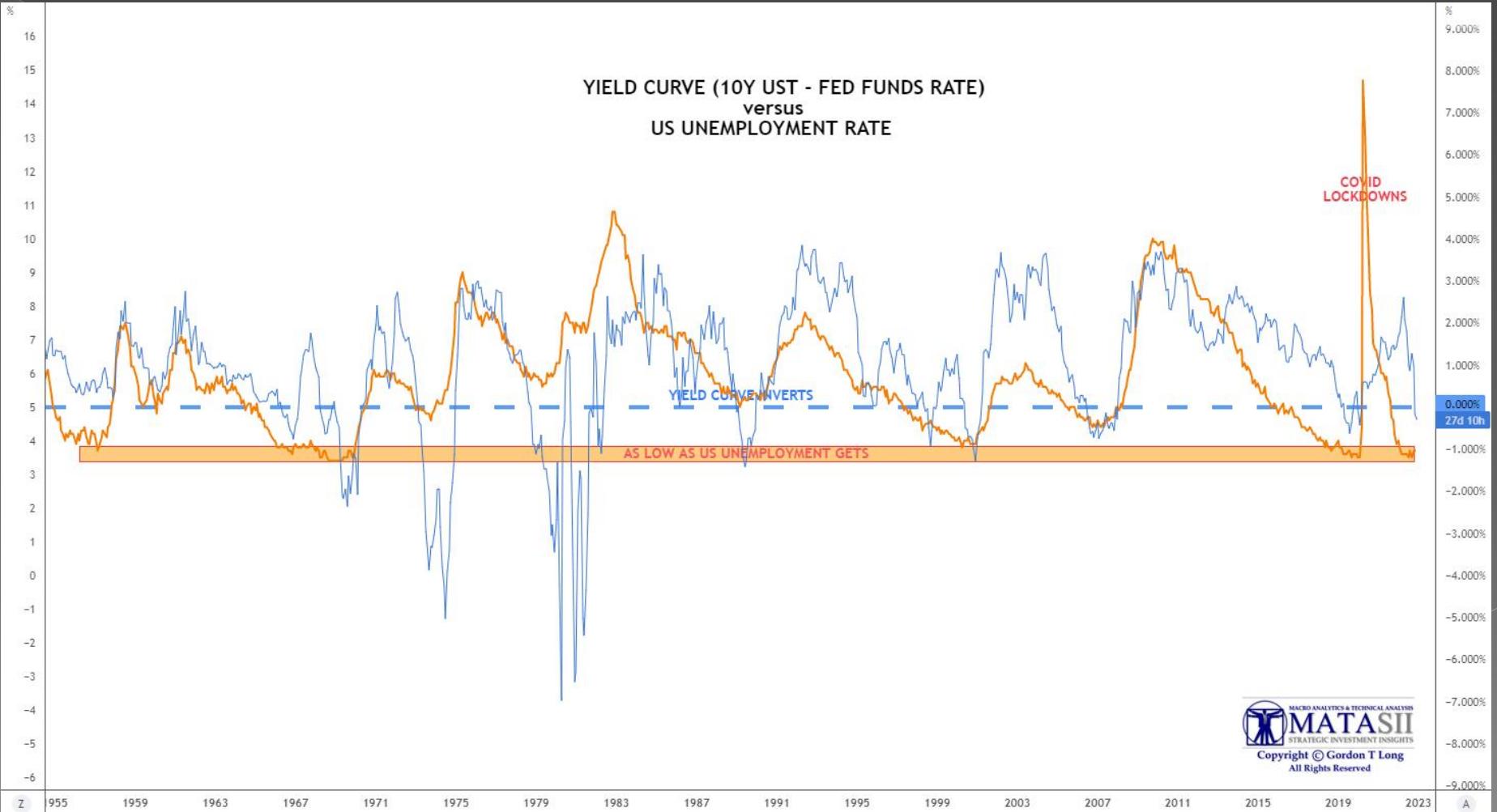
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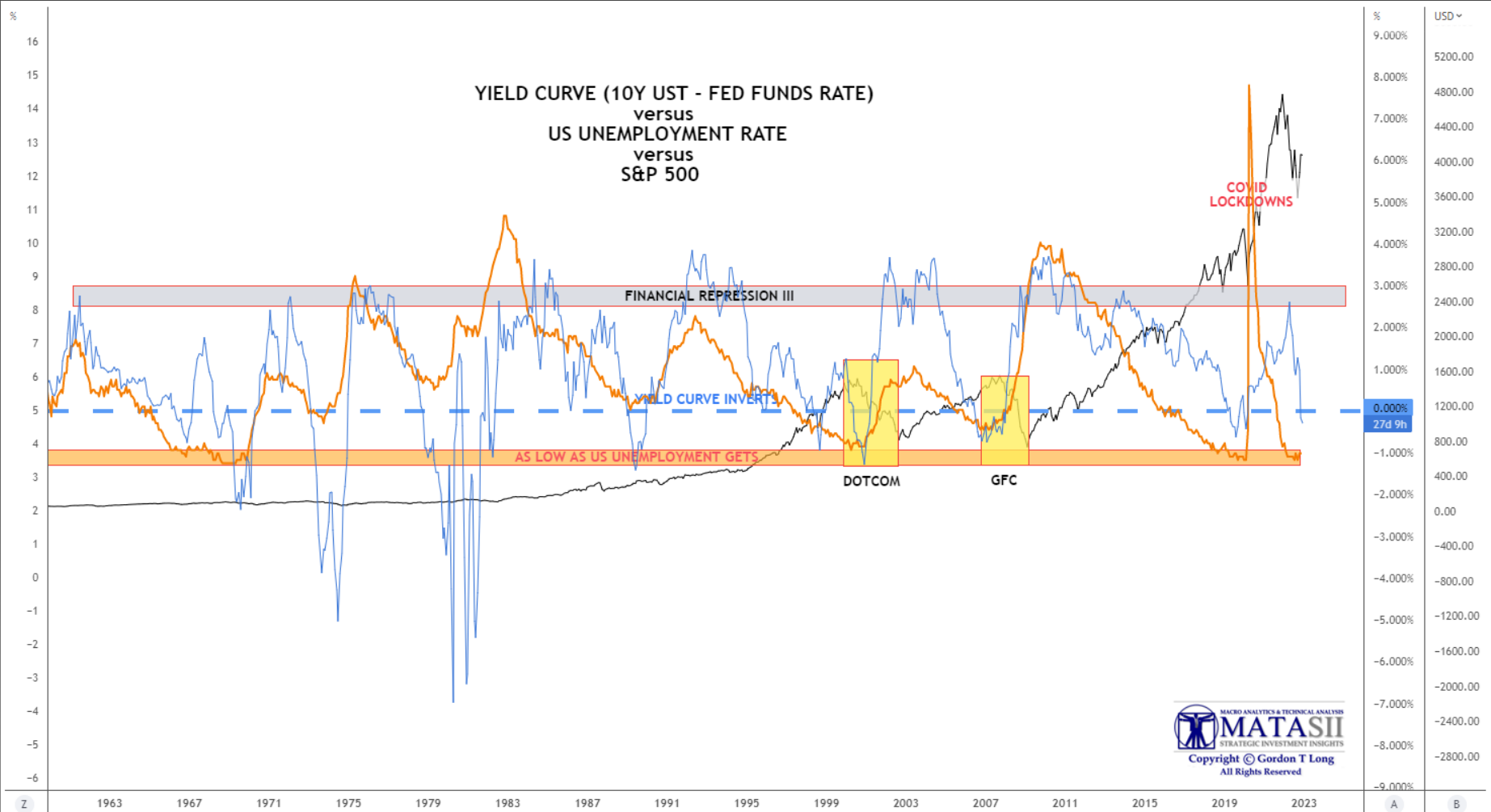
# MATASII ECONOMIC MONITOR



UR: Unemployment  
VIX: Options Pricing

YIELD CURVE (10Y UST - FED FUNDS RATE)  
versus  
US UNEMPLOYMENT RATE





## Longer-dated yields are now below the Fed benchmark rate

Fear Gauge\* NFP TCH Index



\*Represents differential between 10y Treasury yield and upper end of Fed funds rate

\*\*Representation of labor-market figures distorted owing to scaling

Source: Bloomberg

Bloomberg



**Chart 4: Labor market hasn't broken... down slightly from recent peak**  
Atlanta Fed YoY wage growth tracker (%)

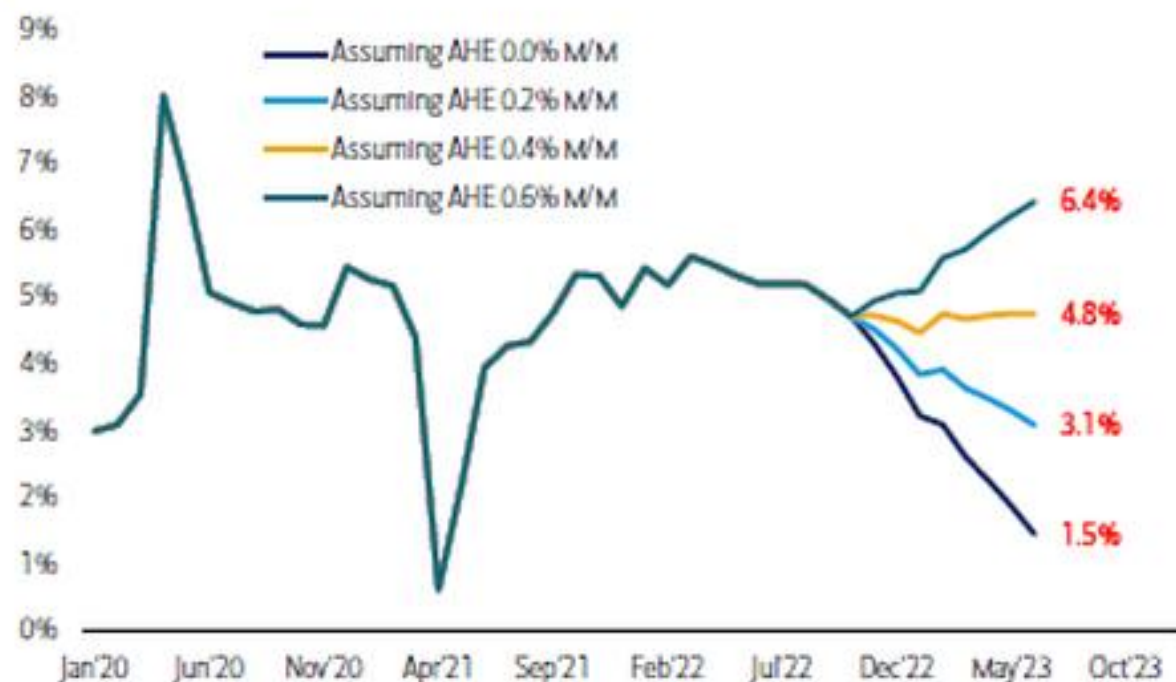


Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH



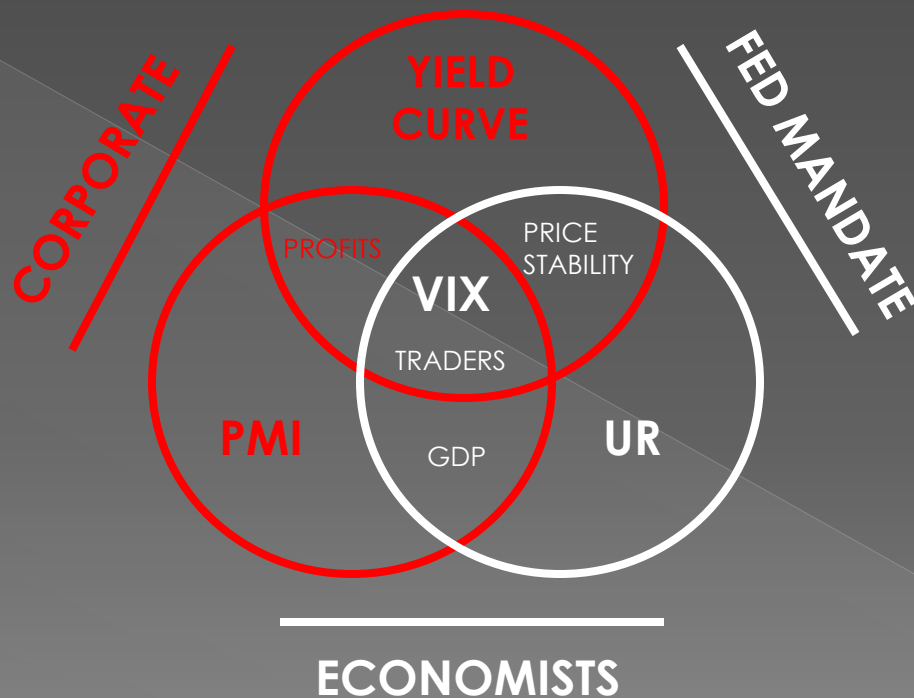
**Chart 5: Wage growth needs to decline (i.e. AHE printing 0.2% M/M)**  
Potential trajectory of US AHE YoY %



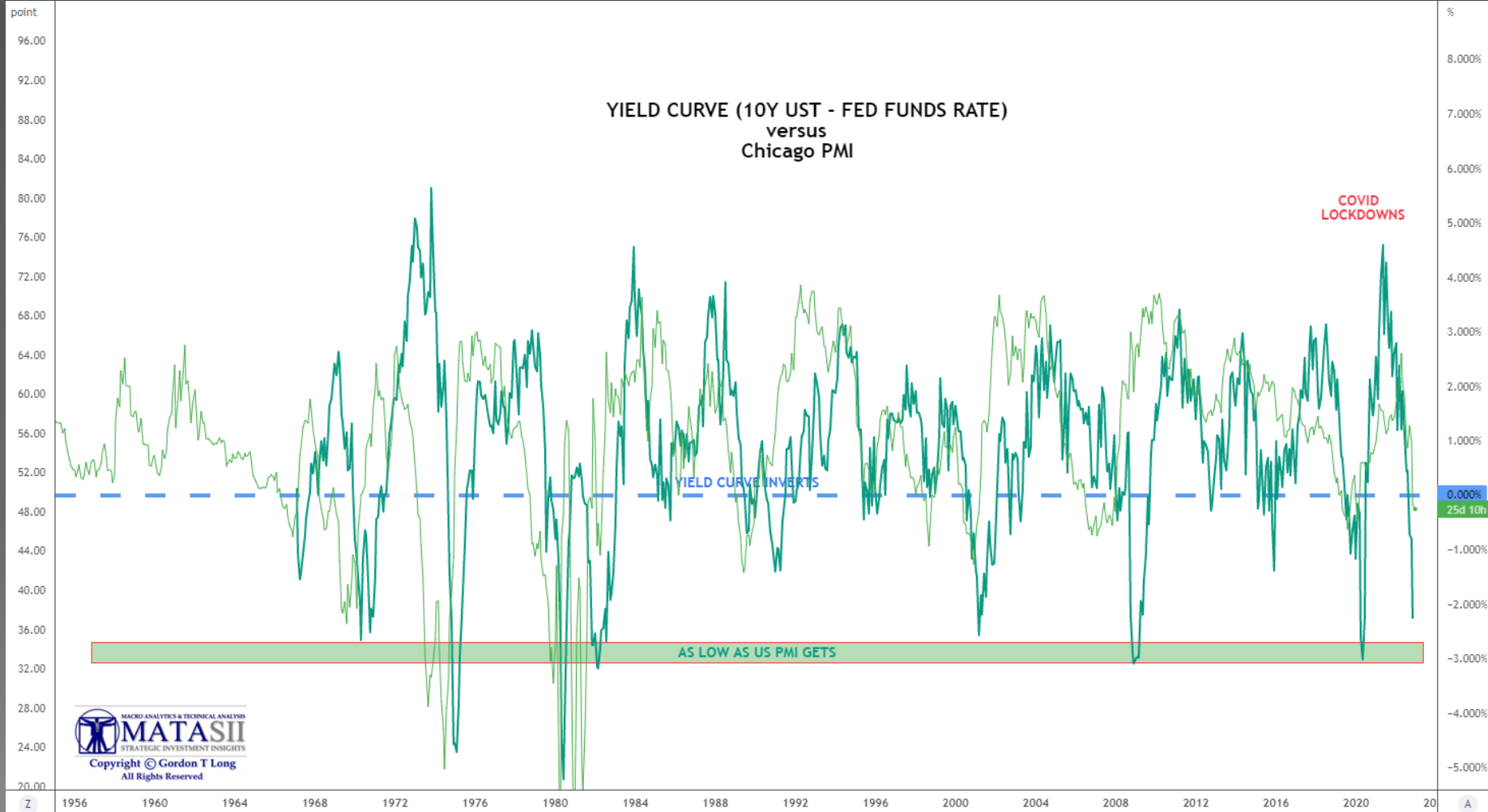
Source: BofA Global Investment Strategy, Bloomberg

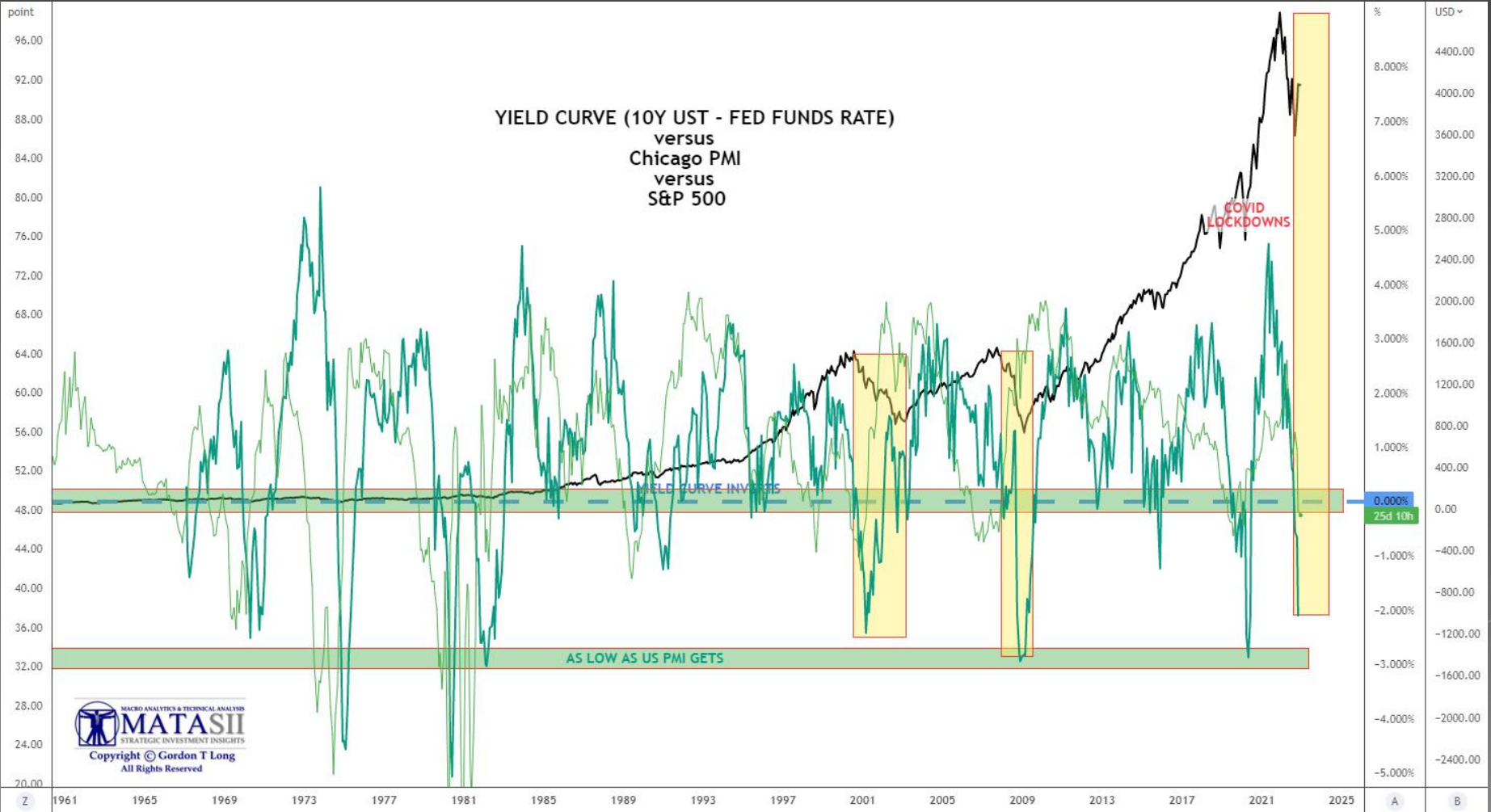
BofA GLOBAL RESEARCH

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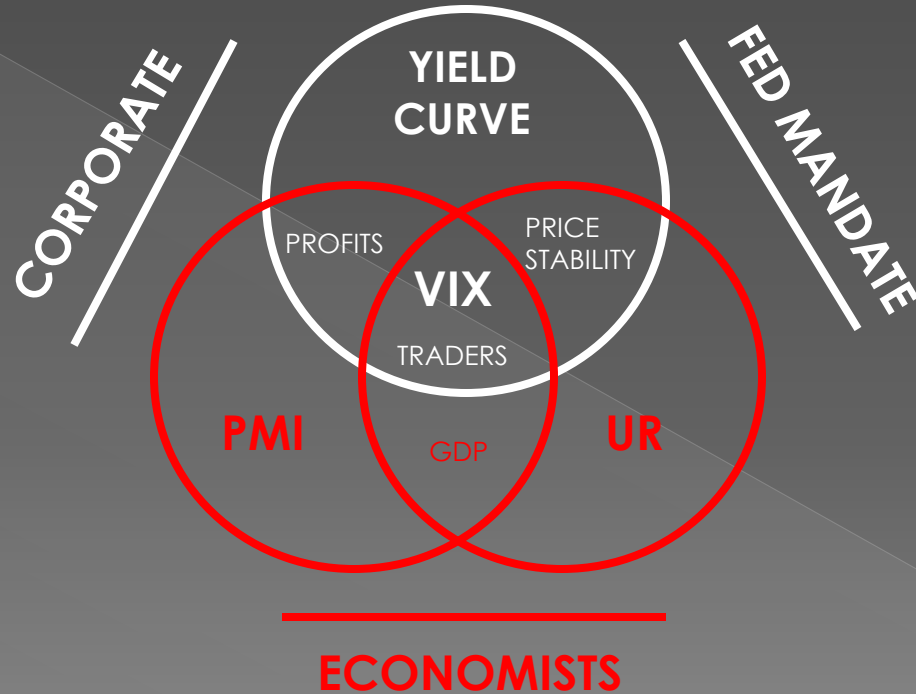


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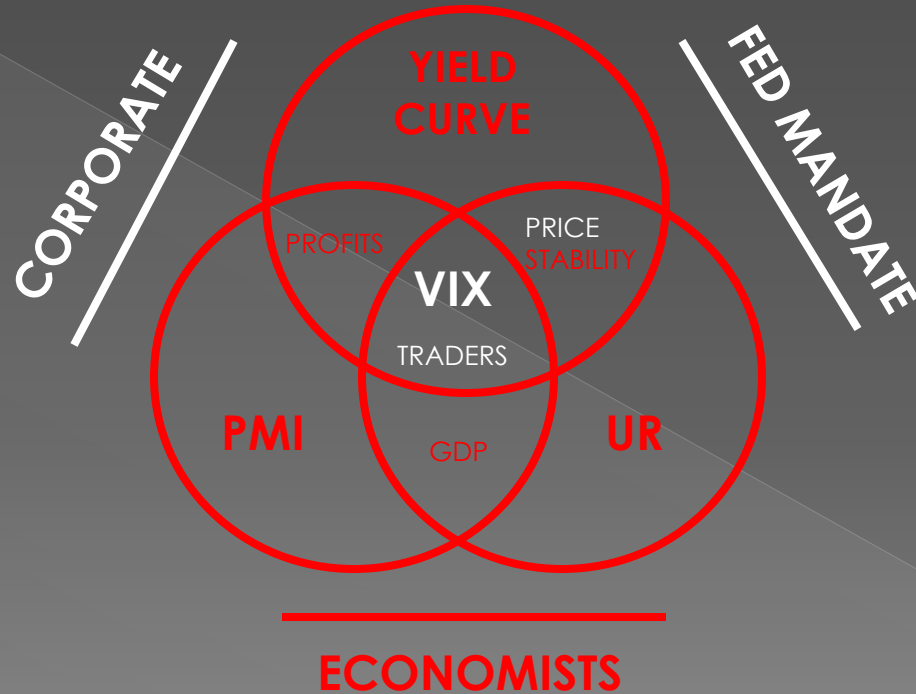


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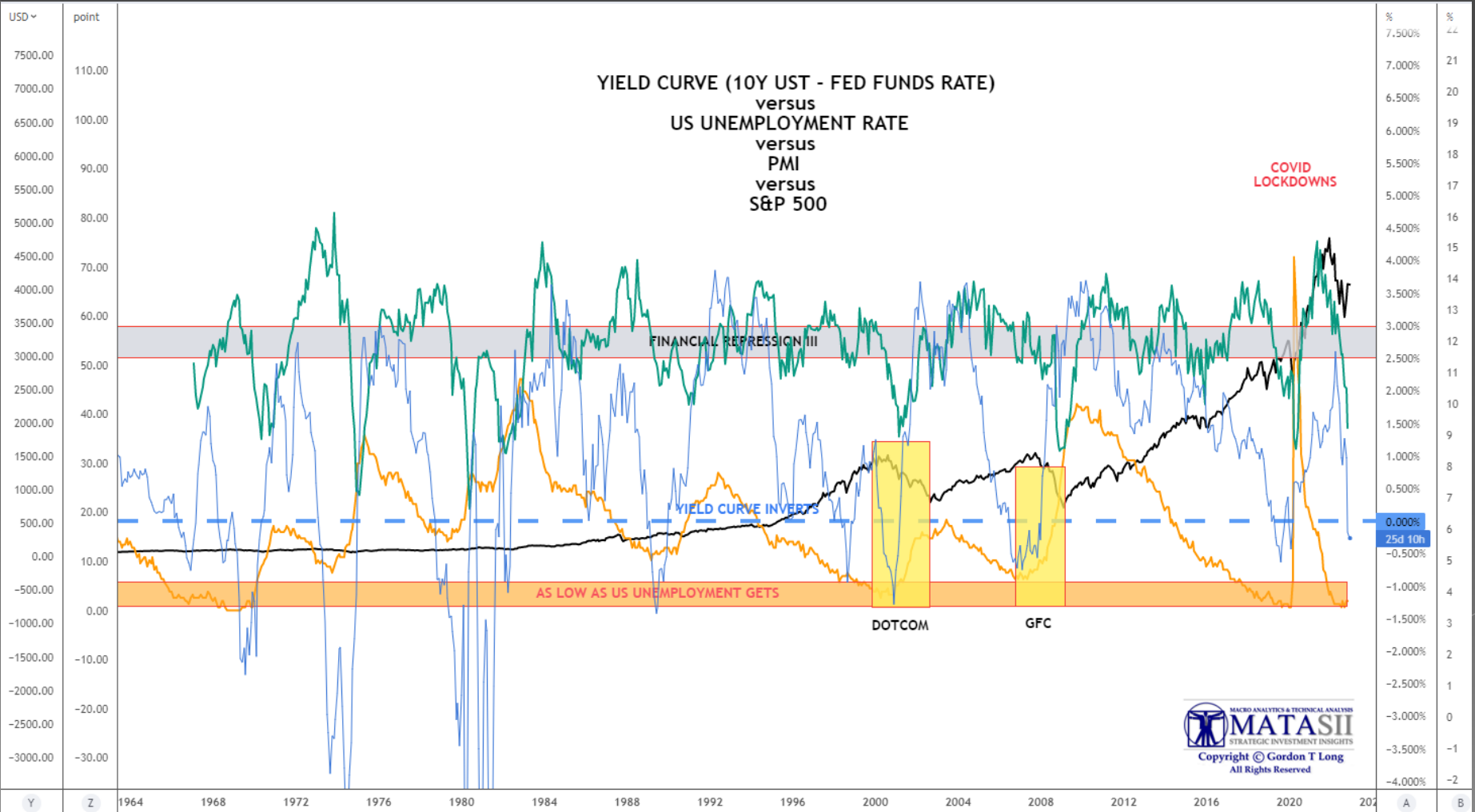


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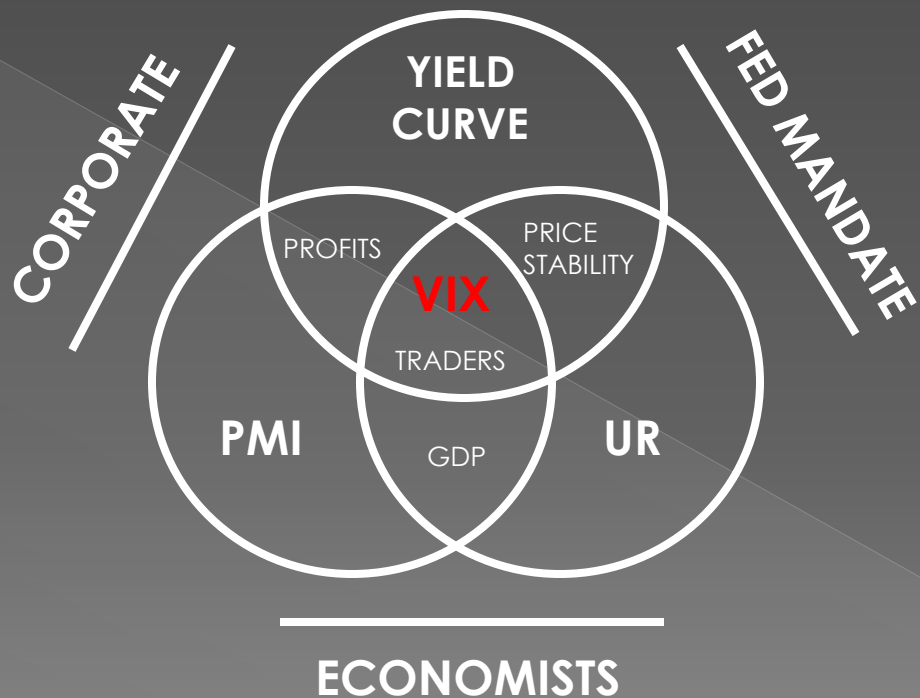
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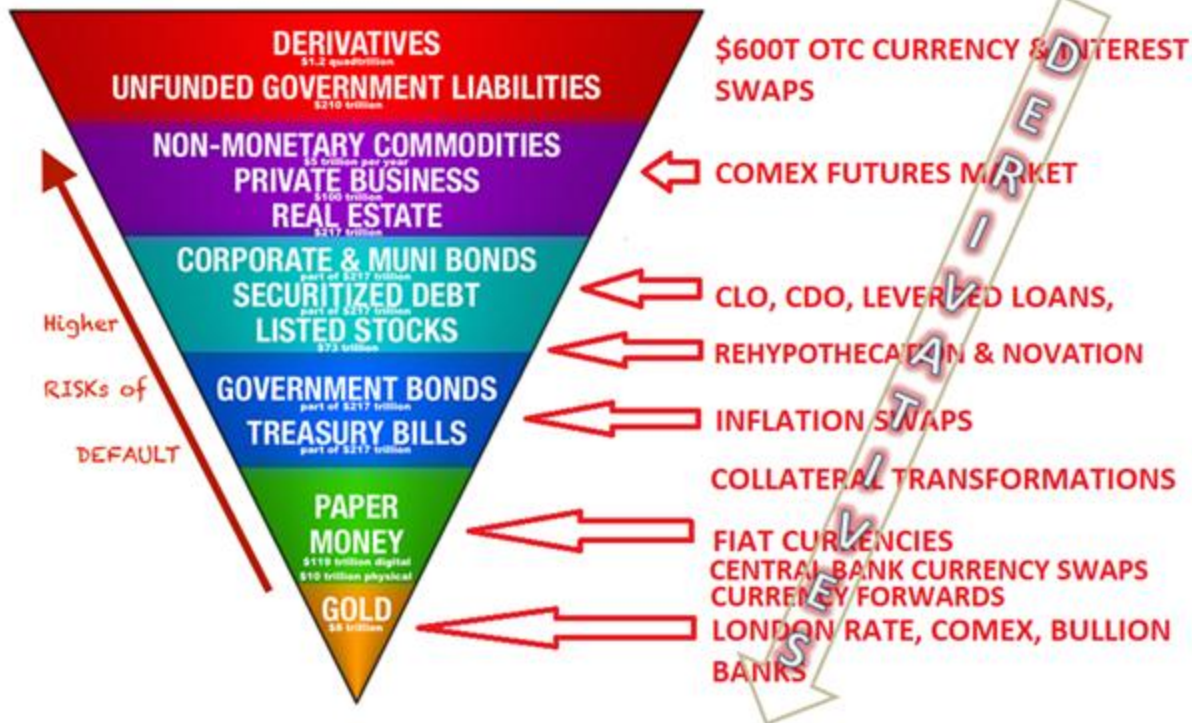
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## VISIBLE EXCHANGES

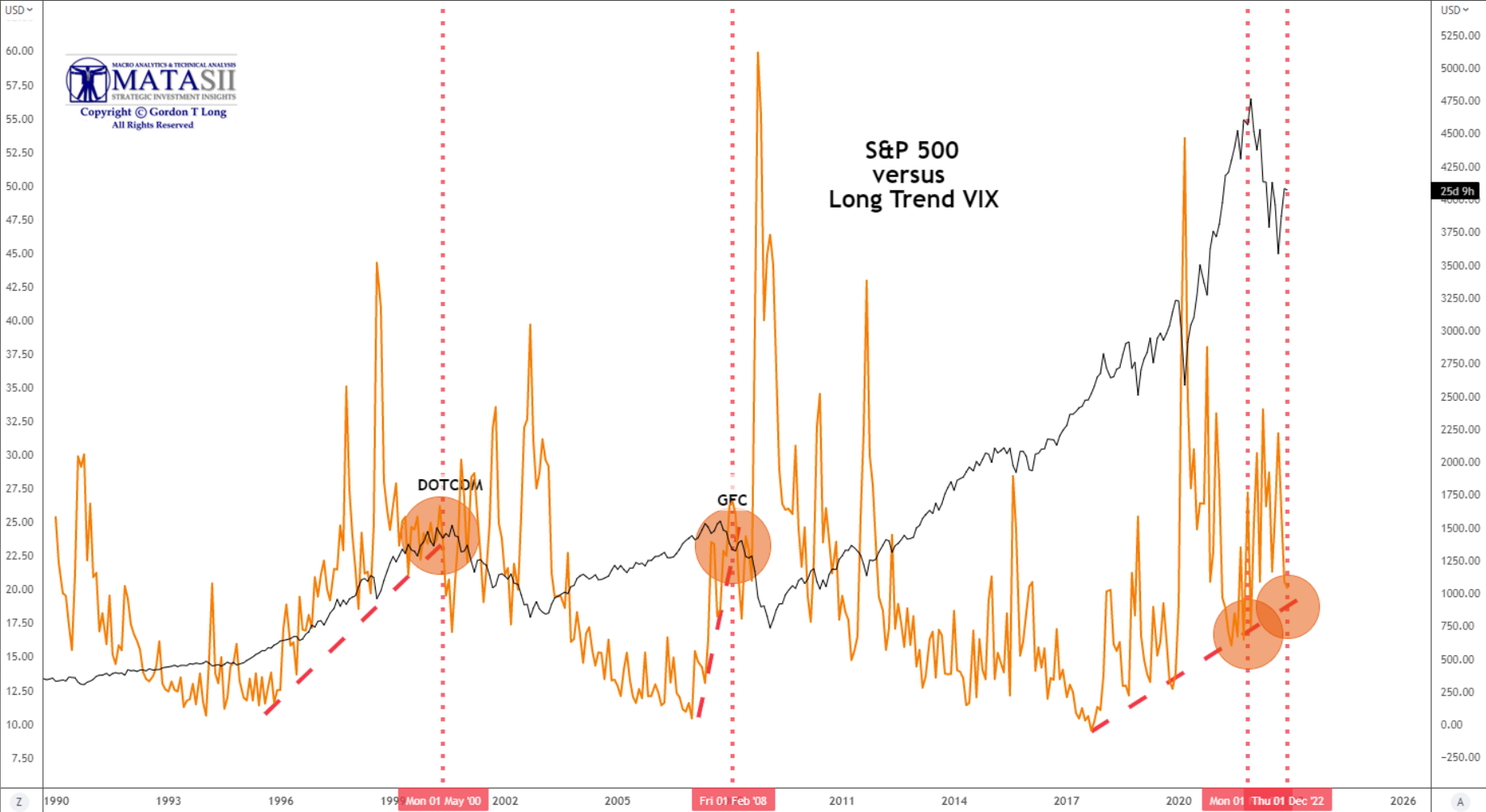
## CONTROLLING OTC



USD

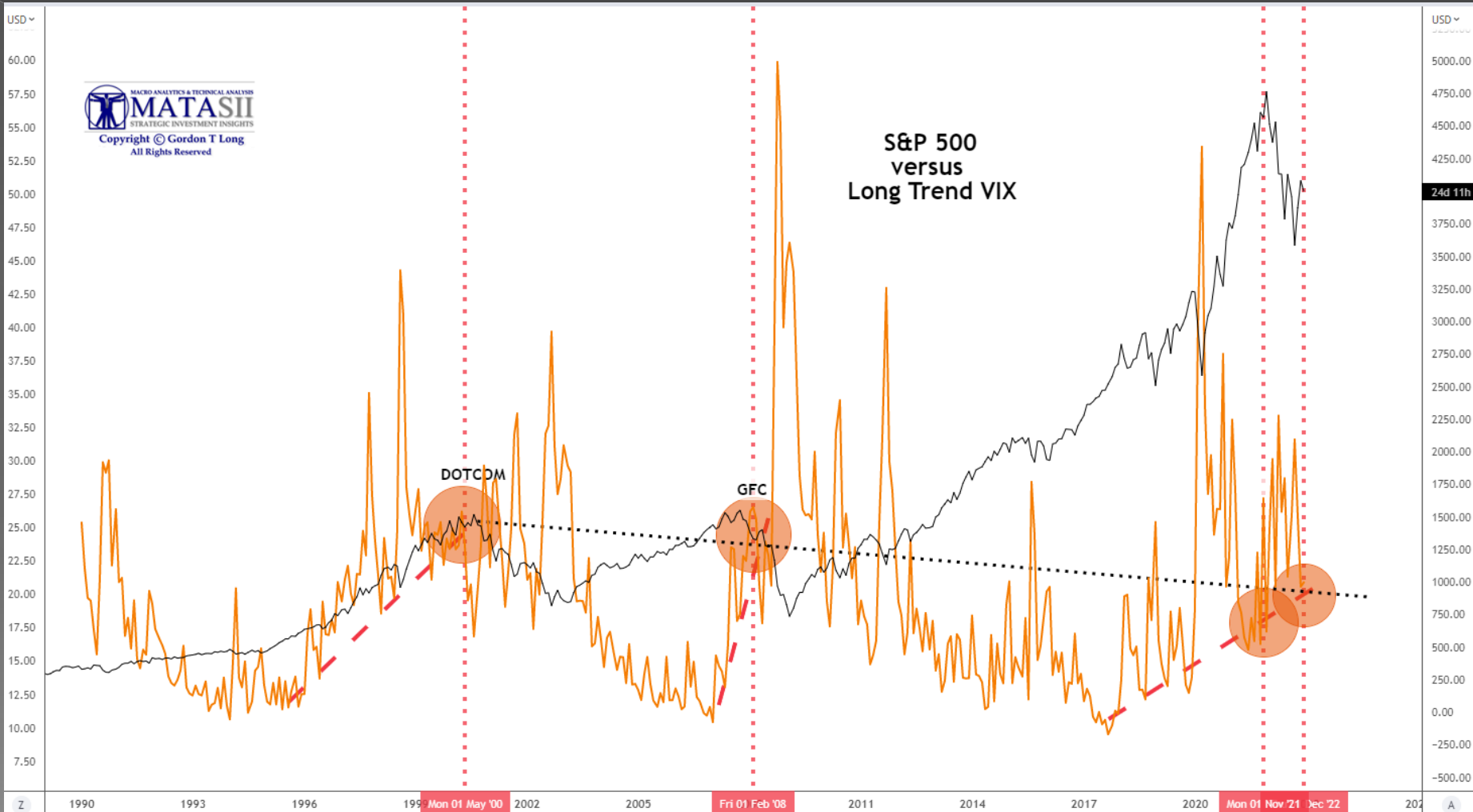


## S&P 500 versus Long Trend VIX



USD ▾

## S&P 500 versus Long Trend VIX



USD ▾

24d 11h

Z

1990

1993

1996

1999

Mon 01 May '00

2002

2005

Fri 01 Feb '08

2011

2014

2017

2020

Mon 01 Nov '21

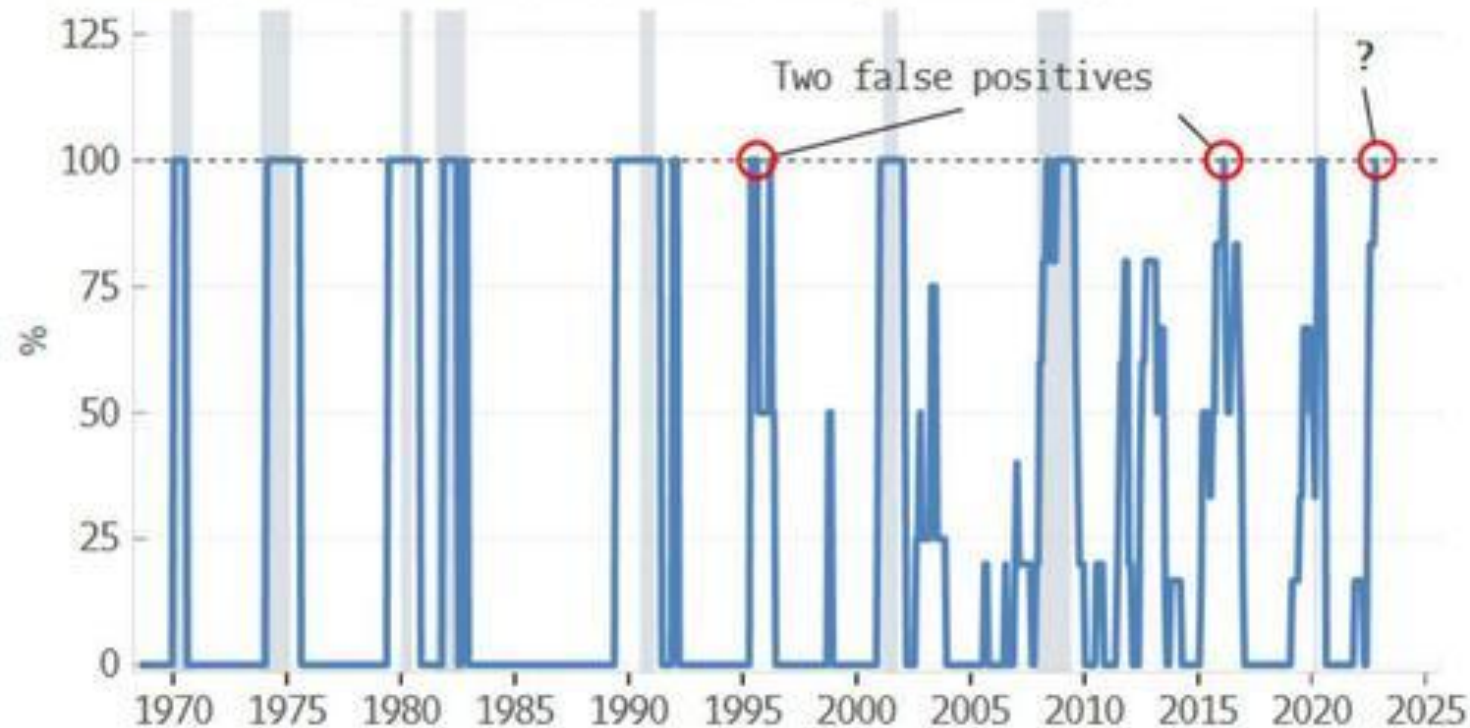
Dec '22

2022

A

## Regional Fed Recession Indicator

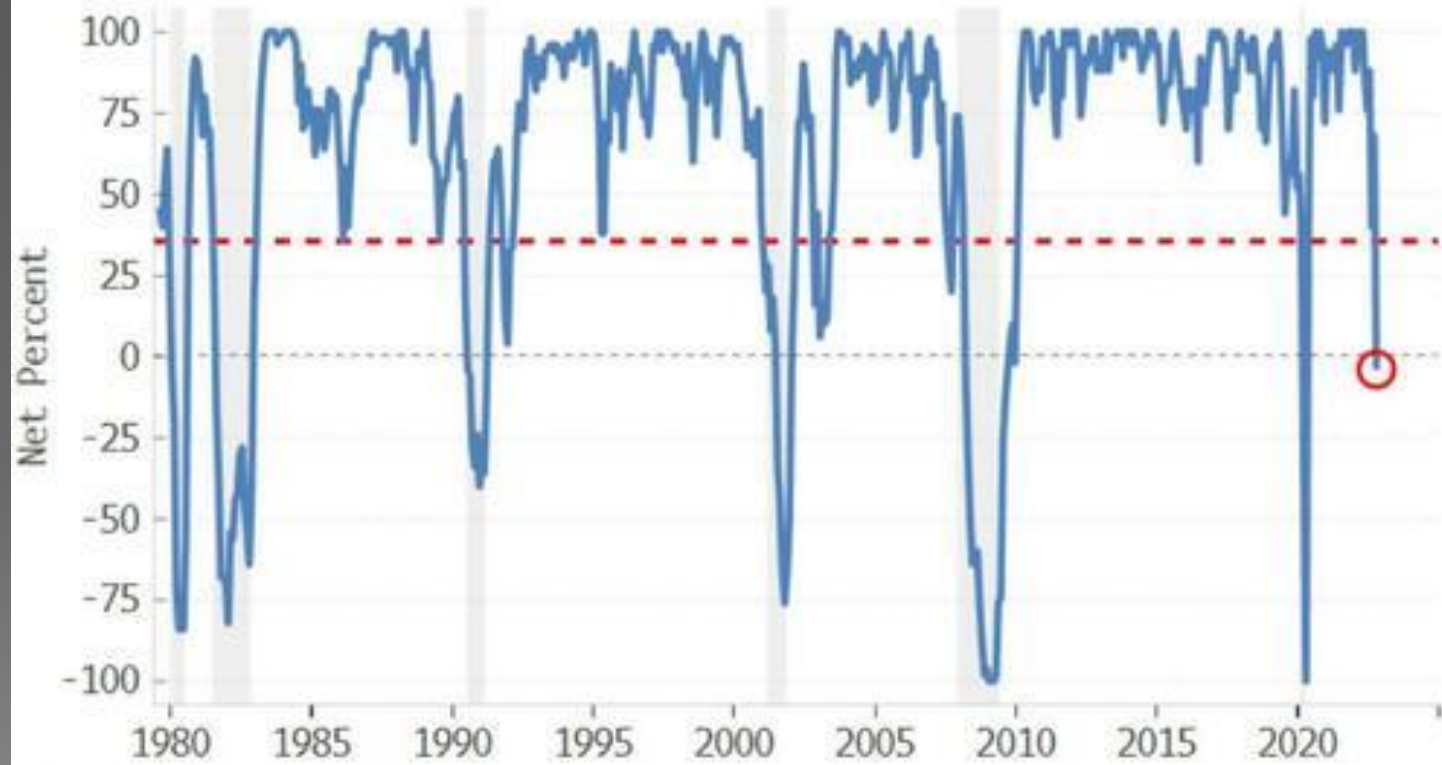
— Percentage of Fed Regional Manufacturing Indices In Contraction  
(Richmond, Empire, Philadelphia, Dallas, Chicago, Kansas City)



Source: Bloomberg

## Philadelphia Fed Indicator Puts US At Recession Risk

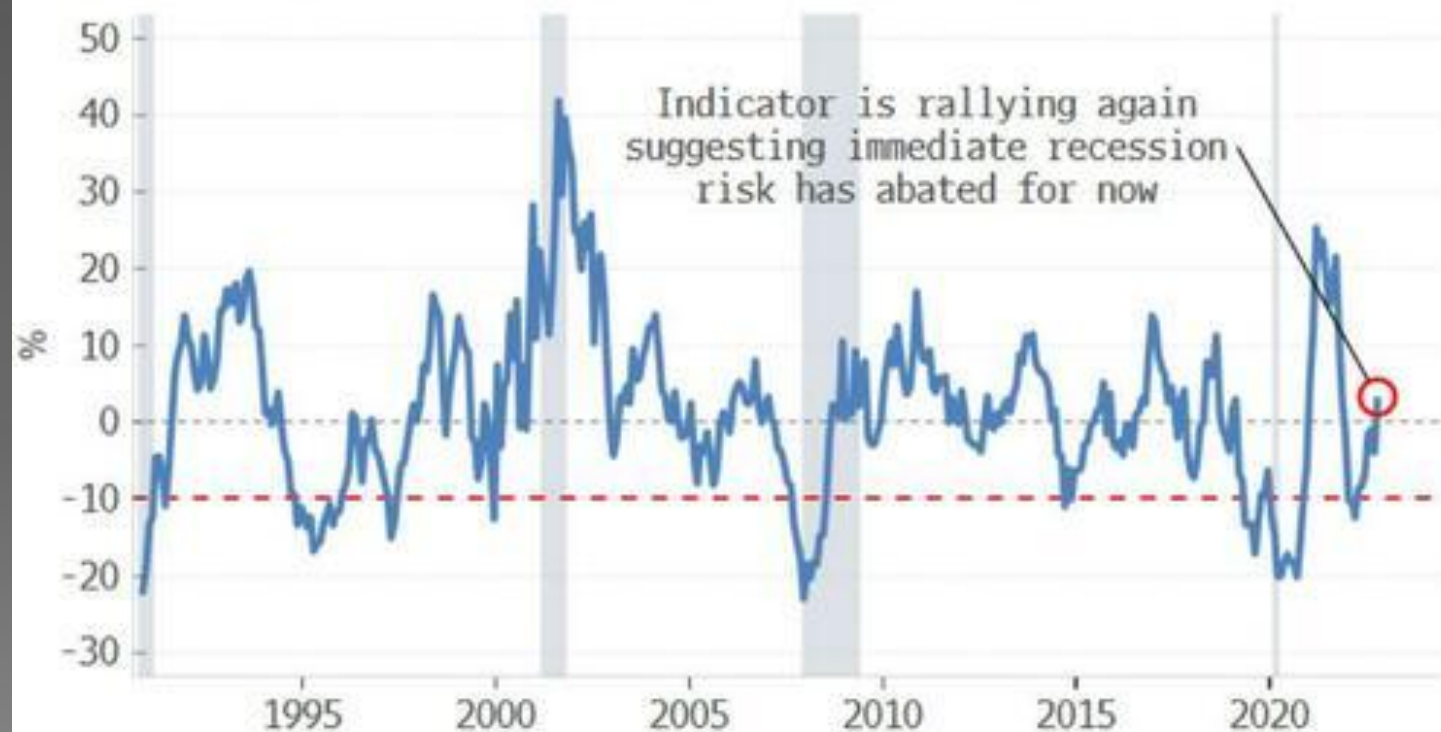
— Philadelphia Fed Net % US States Showing Increasing Activity



Source: Bloomberg

## Cyclicals Outperforming => Low Immediate Recession Risk

Druckenmiller-inspired Recession Indicator YoY (Median of Outperformance of banks, retail, homebuilders, autos and small caps vs S&P)



Source: Bloomberg



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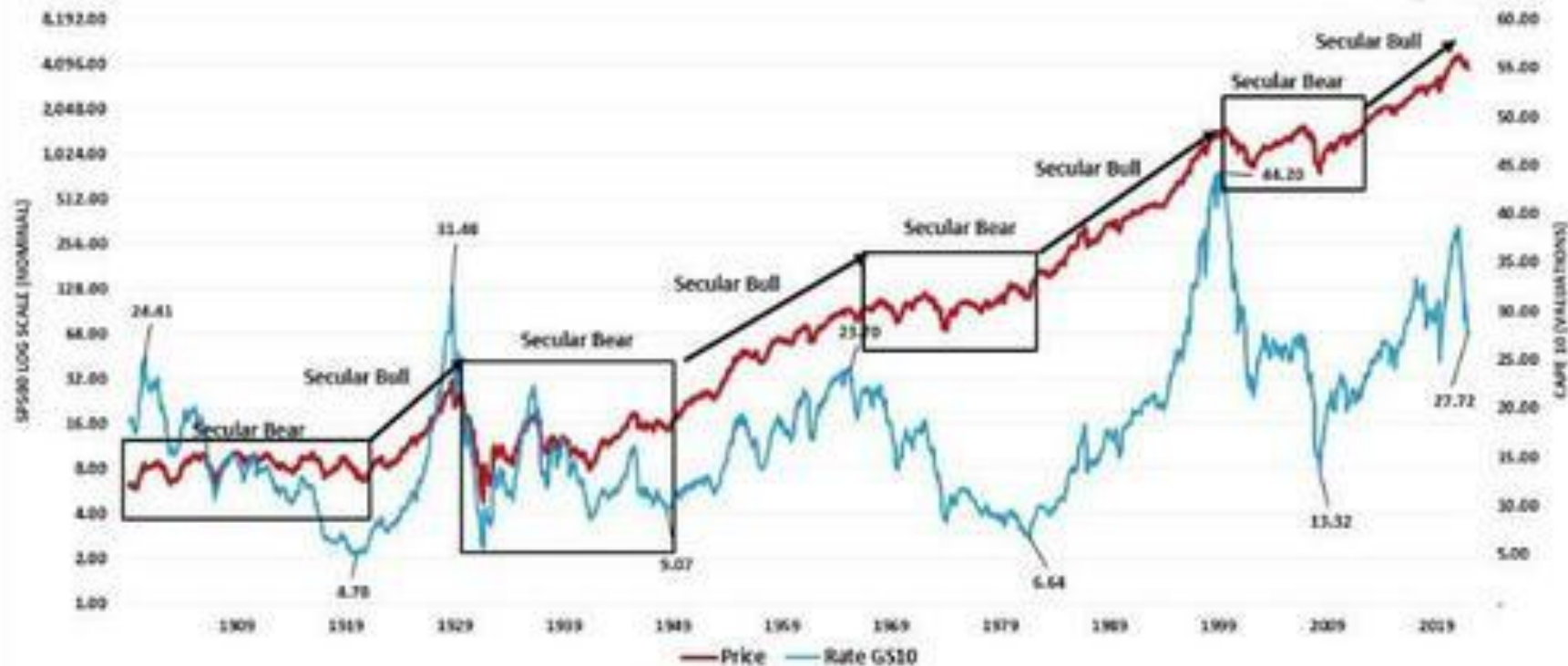


# Timing Is Everything

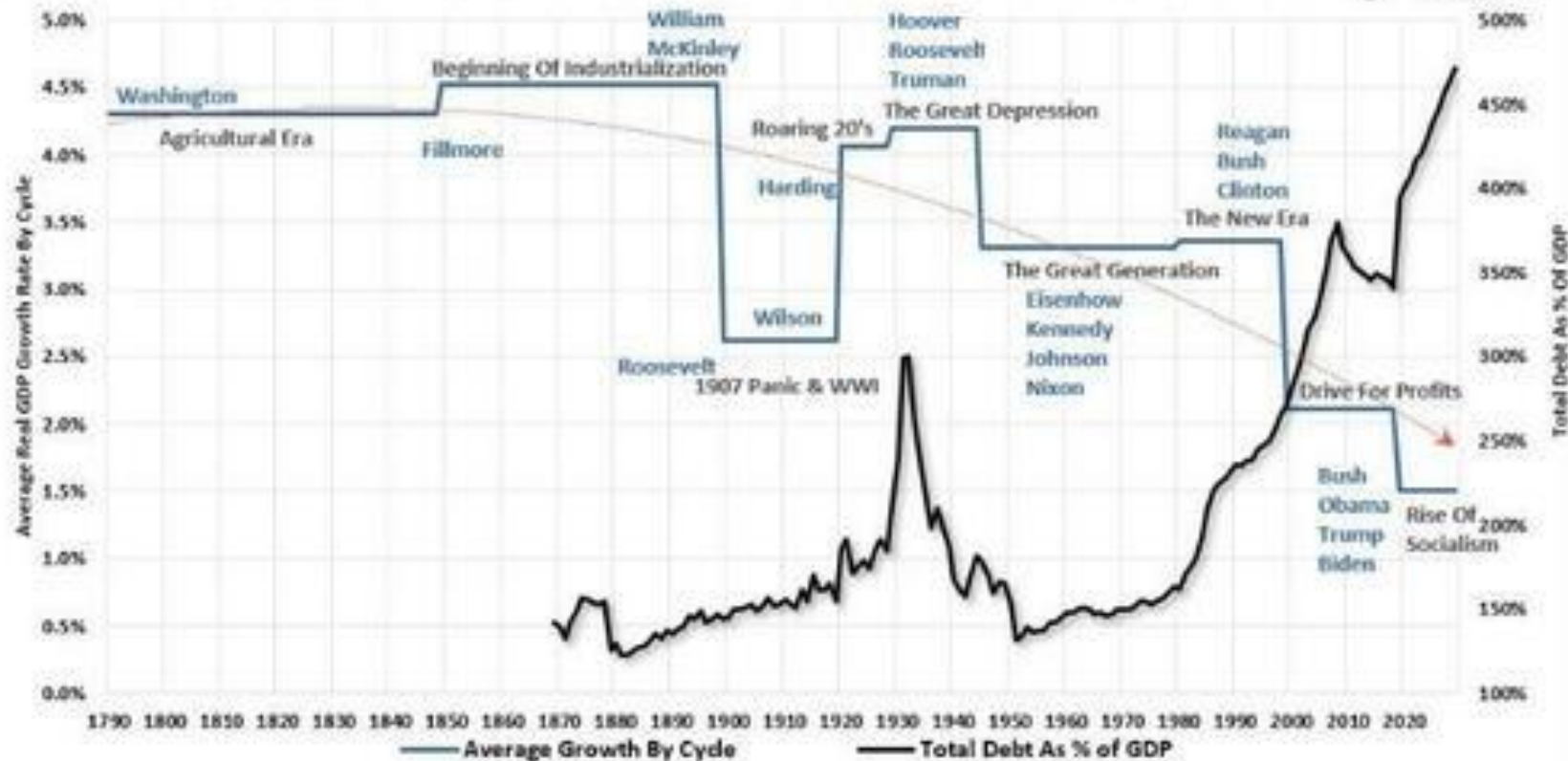
(Robert Shiller Real Price Data)



## S&P 500 vs Valuations & Secular Cycles



## Average Economic Growth By Cycle



## S&P 500 Real Earnings vs The Market & Secular Cycles



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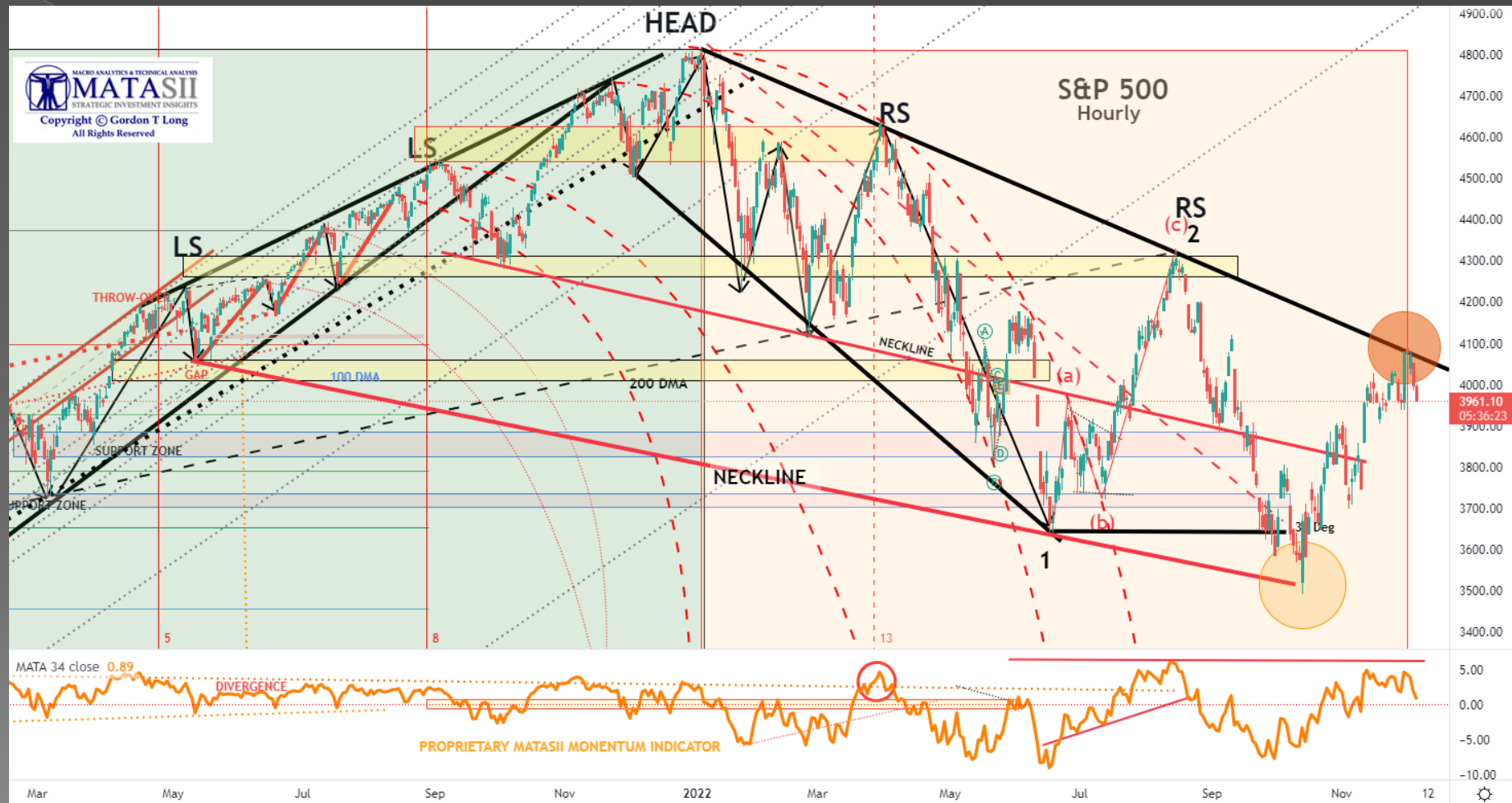
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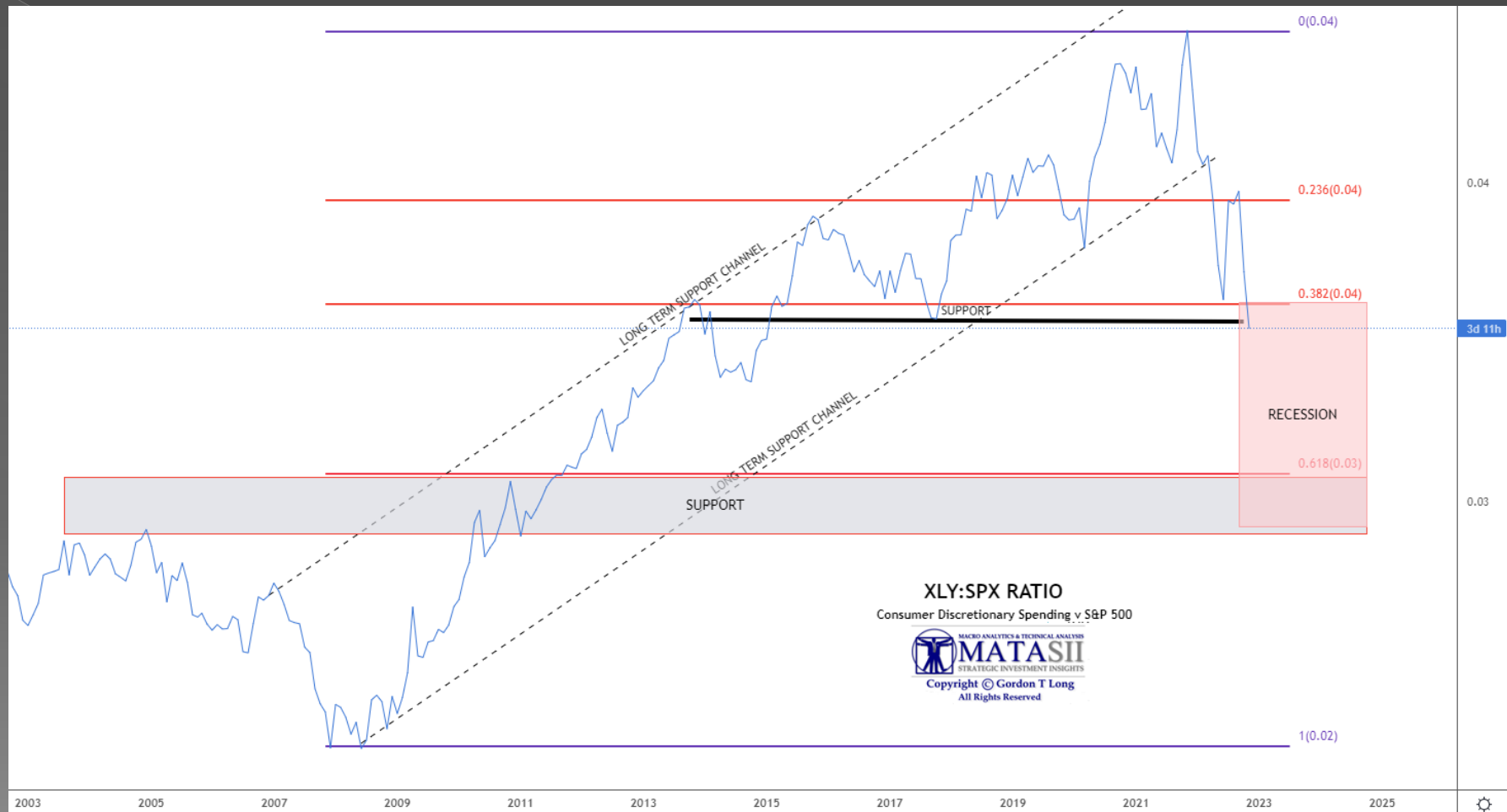
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STRATEGIC INVESTMENT INSIGHTS

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2003

2005

2007

2009

2011

2013

2015

2017

2019

2021

2023

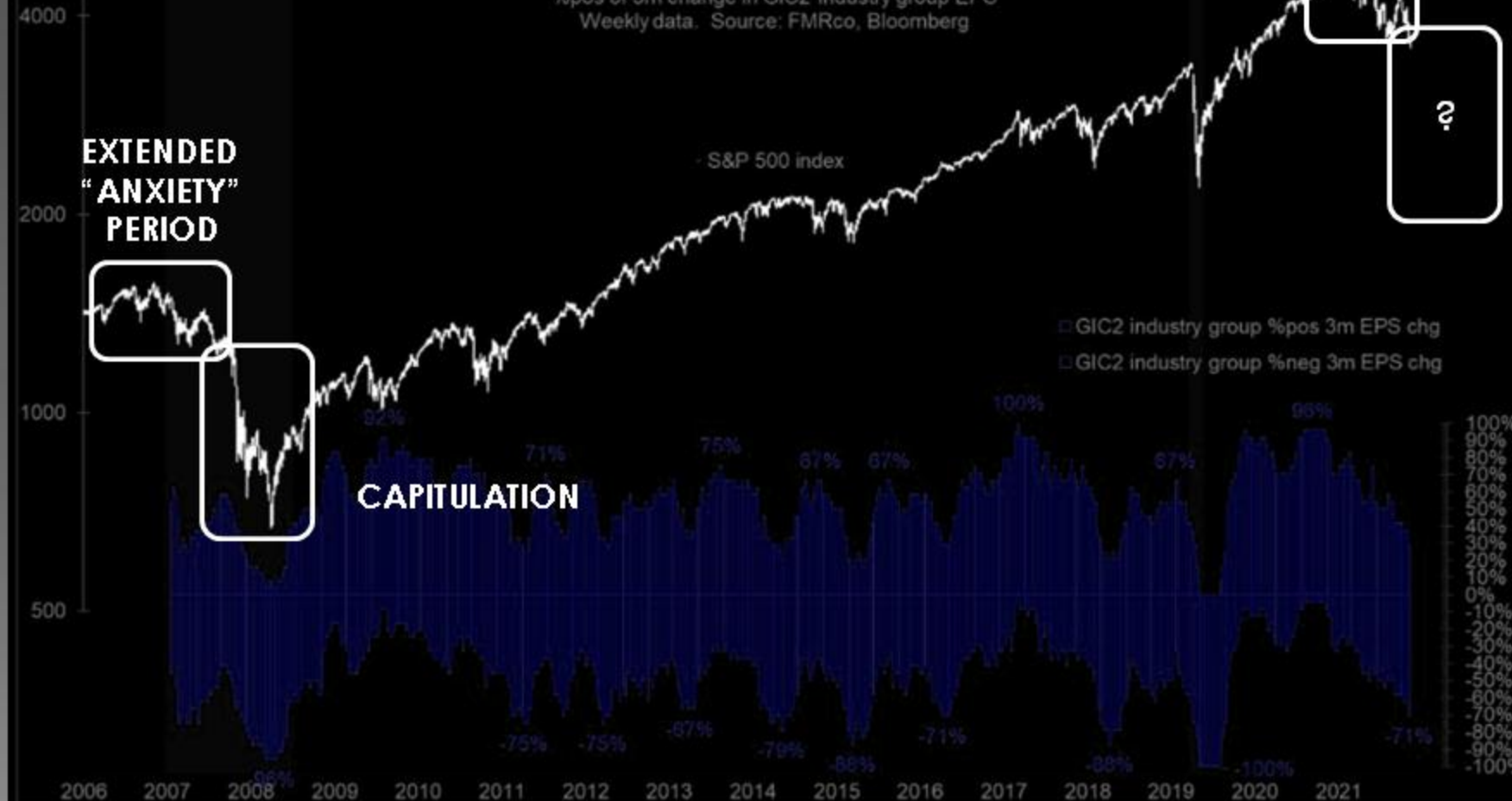
2025





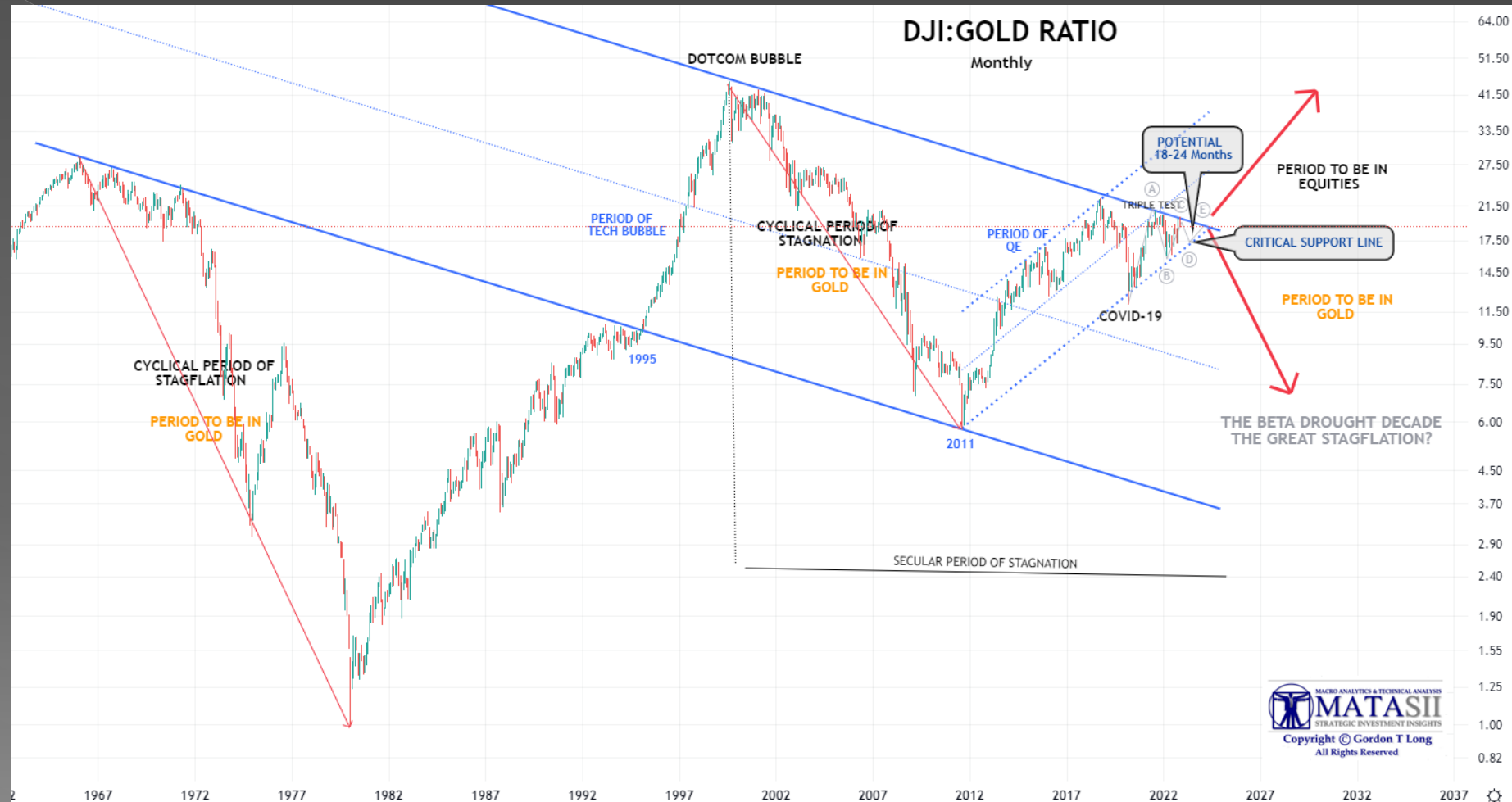
# Earnings Breadth

%pos of 3m change in GIC2 industry group EPS  
Weekly data. Source: FMRco, Bloomberg



# DJI:GOLD RATIO

Monthly



**XBD "breakout" signals new bull market, "double-top"...bear market unfinished**  
US Broker Dealer Index (XBD) since 1994



Source: BofA Global Investment Strategy, Bloomberg

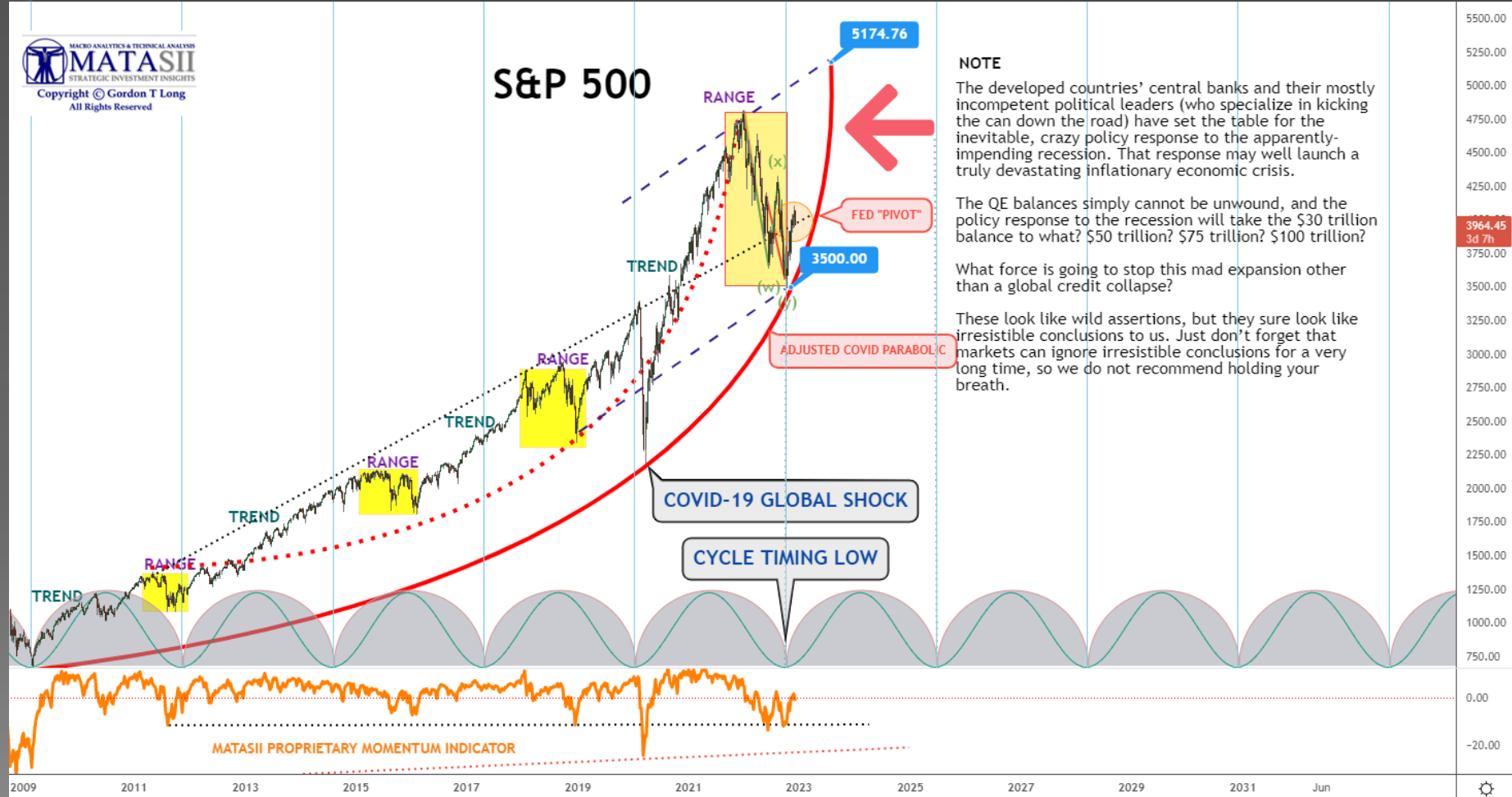
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Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov

\*Global \*\*US-based companies only

Source: layoffs.fyi, Challenger, Gray, & Christmas, Data compiled by Goldman Sachs Global Investment Research

# S&P 500



## NOTE

The developed countries' central banks and their mostly incompetent political leaders (who specialize in kicking the can down the road) have set the table for the inevitable, crazy policy response to the apparently-impending recession. That response may well launch a truly devastating inflationary economic crisis.

The QE balances simply cannot be unwound, and the policy response to the recession will take the \$30 trillion balance to what? \$50 trillion? \$75 trillion? \$100 trillion?

What force is going to stop this mad expansion other than a global credit collapse?

These look like wild assertions, but they sure look like irresistible conclusions to us. Just don't forget that markets can ignore irresistible conclusions for a very long time, so we do not recommend holding your breath.

5500.00
5250.00
5000.00
4750.00
4500.00
4250.00
3964.45
3d 7h
3750.00
3500.00
3250.00
3000.00
2750.00
2500.00
2250.00
2000.00
1750.00
1500.00
1250.00
1000.00
750.00
0.00
-20.00

# S&P 500 CFD

Monthly



# A REDUCED US STANDARD OF LIVING

Household Net Worth as a Percentage of  
Disposable Personal Income

Q2 2022

~ 736%



MACRO ANALYTICS & TECHNICAL ANALYSIS

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**ADMINISTRATIONS CHANGE – BUT THE PRINTING NEVER DOES ....**

**DON'T WORRY, THEY WILL PRINT THE MONEY!**

**EVERYONE IS NOW IN PLACE & READY!!**



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FEEDBACK THAT WILL IMPROVE OUR  
RESEARCH ANALYSIS

WORLD CLASS MINDS FOLLOW THIS  
CHANNEL & WE VALUE HEARING  
FROM YOU!

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FOR POSTING THIS TIME DELAYED FREE  
SUBSCRIBER CONTENT

